

50X1-HUM

CLASSIFICATION ~~CONFIDENTIAL~~ **CONFIDENTIAL**
SECURITY INFORMATION
CENTRAL INTELLIGENCE AGENCY
INFORMATION FROM
FOREIGN DOCUMENTS OR RADIO BROADCASTS

REPORT

CD NO. --

COUNTRY China
SUBJECT Economic - Minerals, petroleum reserves
HOW PUBLISHED Daily newspaper
WHERE PUBLISHED Hong Kong
DATE PUBLISHED 18 Oct 1951
LANGUAGE Chinese

DATE OF INFORMATION 1951

DATE DIST. 25 Jan 1952

NO. OF PAGES 1

SUPPLEMENT TO REPORT NO.

THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES WITHIN THE MEANINGS OF ESPIONAGE ACT 50 U. S. C. 31 AND 32, AS AMENDED. ITS TRANSMISSION OR THE REVELATION OF ITS CONTENTS IN ANY MANNER TO AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW. REPRODUCTION OF THIS FORM IS PROHIBITED.

THIS IS UNEVALUATED INFORMATION

SOURCE Hsing-tao Jih-pao.

ESTIMATES CHINA'S PETROLEUM RESERVES

China's petroleum reserves are thought to exceed 200 million tons, or about one tenth of the total world reserves. This estimate does not include those in Taiwan.

In Szechwan and northern Shensi 500 oil wells have been drilled and daily production may reach 80 million gallons. The potential oil-yielding area in northern Shensi covers 20,000 square li [2,222 square miles] with actual traces of oil in more than 40 places. The most promising centers are in Fu-shih Hsien, Yen-ch'ang Hsien, and Yen-ch'uan Hsien. Oil found at five places in northern K'u-ch'e Hsien in Sinkiang is of such high quality that it can be used without refining. There are also indications of oil in southwestern So-ch'e Hsien, and at more than ten areas in Sui-lai Hsien, Ti-hua Hsien, and T'a-ch'eng Hsien. Some 32 areas in Wu-su Hsien have a potential daily yield of 50,000 cattles [33 tons]. Yu-men Hsien, Tun-huang Hsien, and Chiu-ch'uan Hsien, in Kansu Province, have indications of oil. The best oil is considered to be in Yu-men Hsien. Several areas showing indications of oil have been found in Kweichow Province between Lung-li and Kuei-yang. This oil reportedly lies at depths of 1,000 to 2,000 feet.

It is estimated that Sinkiang has approximately 120 million tons of oil which represents three fifths of China's reserves. Next in order are Kansu with about 60 million tons, Tsinghai with about 5 million tons, Szechwan with about one million tons, and the Northeast with about 1.2 million tons.

Recent agreements with the USSR have guaranteed China the assistance necessary to develop the petroleum resources in Sinkiang.

- E N D -

- 1 -

CONFIDENTIAL 50X1-HUM

CLASSIFICATION		CONFIDENTIAL	
STATE	<input checked="" type="checkbox"/> NAVY	<input checked="" type="checkbox"/> NSRB	DISTRIBUTION
ARMY	<input checked="" type="checkbox"/> AIR	<input checked="" type="checkbox"/> FBI	